

MAHATHIR-SAVINGS

BM

83 (P)
KUALA LUMPUR, JULY 5 (BERNAMA) -- THE GOVERNMENT WILL DISALLOW INVESTMENT OR SAVINGS ARISING FROM 'HARAM' ACTIVITIES SUCH AS GAMBLING IN THE PROPOSED ISLAMIC BANK, DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY.

IN CONNECTION WITH THIS, THE PRIME MINISTER ANNOUNCED THE FORMATION OF A SYARIAH SUPERVISORY COMMITTEE TO STUDY ALL ASPECTS CONNECTED WITH INVESTMENT IN THE BANK.

HE SAID THAT GUIDELINES FOR INVESTMENT IN THE BANK HAD BEEN DRAWN UP, AND BORDERLINE CASES WOULD BE REFERRED TO THE COMMITTEE.

DATUK SERI DR. MAHATHIR WAS SPEAKING TO REPORTERS AFTER RECEIVING A REPORT ON THE ESTABLISHMENT OF THE ISLAMIC BANK PREPARED BY A STEERING COMMITTEE HEADED BY HIS SPECIAL ECONOMIC ADVISER, RAJA TAN SRI MOHAR BADIOZAMAN.

ALSO PRESENT AT HIS OFFICE AT PARLIAMENT HOUSES WAS DEPUTY MINISTER IN THE PRIME MINISTER'S DEPARTMENT ENCIK ANWAR IBRAHIM.
--MORE 1558/AN

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THE PRIME MINISTER SAID MEMBERSHIP OF THE SUPERVISORY COMMITTEE HAD NOT BEEN DECIDED, BUT THE MEMBERS WOULD BE QUALIFIED IN LAW, RELIGION AND ECONOMICS.

ON THE OPERATIONS OF THE BANK WHICH WOULD BE ESTABLISHED NEXT YEAR, HE SAID THE BANK WOULD NOT PRACTISE THE SYSTEM OF PAYING INTEREST AND ALLOWING FIXED DEPOSITS.

HE SAID THAT ANYONE SAVING WITH THE BANK WOULD ONLY RECEIVE DIVIDENDS FROM PROFITS.

IN THE CASE OF APPLICANTS FOR LOANS FOR BUSINESS, THE BANK WOULD ASCERTAIN THE COMMERCIAL VIABILITY FIRST, THE PRIME MINISTER ADDED.

FOR ALL LOANS GIVEN, THE BANK WOULD BECOME A SHAREHOLDER UNTIL THE LOAN WAS PAID UP. --MORE 1630/HM

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IN THE CASE OF APPLICANTS FOR CONSUMPTION LOANS, AN INTEREST-FREE LEASING SYSTEM WOULD BE APPLIED.

DATUK SERI DR. MAHATHIR ALSO SAID THERE WOULD BE NO LEVY OF FIXED SERVICE CHARGE.

HE SAID A SYSTEM OF PARTICIPATING ACCOUNT WOULD BE OBSERVED IN PLACE OF FIXED DEPOSIT.

THE PRIME MINISTER SAID THE BANK'S OPERATIONS WOULD BE MODELL-ED ON OVERALL STUDIES OF THE SERVICES OF ISLAMIC BANKS IN THE SUDAN, FIJI, SWITZERLAND, JORDAN, DUBAI AND PAKISTAN.

--BERNAMA 1632/HM